Ministry of Agriculture

Saskatchewan Agricultural Stabilization Fund

2011-12
ANNUAL REPORT

Government of Saskatchewan

Table of Contents

Letters of Transmittal 2

The Saskatchewan Agricultural Stabilization Fund 3

- Wildlife Damage Compensation and Livestock Predation Prevention Program 3
- The Canada-Saskatchewan Excess Moisture Program 5
- Saskatchewan Feed and Forage Program 2011 5
- Saskatchewan Feed and Forage Program 2010 5
- Specified Risk Material Management Program 5
- Farm and Ranch Water Infrastructure Program 2008 5
- Farm and Ranch Water Infrastructure Program 2009 5
- Canada-Saskatchewan Pasture Recovery Initiative 5

Management's Responsibility for the Financial Statements 6

Auditors' Report 7

Financial Statements 8

- Statement of Financial Position 9
- Statement of Operation Changes in Net Financial Assets 12
- Statement of Cash Flows 15

Notes to the Financial Statements 18

This annual report is also available in electronic format from the Ministry's website at *www.agriculture.gov.sk.ca*.

Letters of Transmittal

June 28, 2013

Her Honour, the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May it please Your Honour:

I have the pleasure to submit to your Honour the Annual Report of the Saskatchewan Agricultural Stabilization Fund for the year ending March 31, 2013.

Respectfully submitted,

Lyle Stewart
Minister of Agriculture

June 28, 2013

The Honourable Lyle Stewart
Minister of Agriculture

Sir:

I wish to present to you the Annual Report of the Saskatchewan Agricultural Stabilization Fund for the 12 months ending March 31, 2013.

The Fund's annual report was prepared under my direction in accordance with the Government's Accountability Framework and its system of planning, measuring and reporting.

All key actions and associated economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Respectfully submitted,

Alanna Koch
Deputy Minister of Agriculture

The Saskatchewan Agricultural Stabilization Fund

The Saskatchewan Agriculture Stabilization Fund (the Fund) is established under the *Farm Financial Stability Act.*

The purpose of the Fund is to administer those programs established under the Act, which enhance or stabilize the incomes of Saskatchewan farmers or the returns from commodities produced by Saskatchewan farmers.

The Fund administers each program that is set up under it by establishing a separate account, which receives funding from the provincial and federal governments and pays out these funds according to the specific program regulations.

The Fund operates the following eight accounts which are established by the regulations noted:

- Wildlife Damage Compensation Program Account – *The Wildlife Damage and Livestock Predation Regulations*
- The Specified Risk Material Management Program – *The Canada-Saskatchewan Specified Risk Material Management Program Regulations*
- The Farm and Ranch Water Infrastructure Program 2008 – *The Farm and Ranch Water Infrastructure Program Regulations*
- The Farm and Ranch Water Infrastructure Program 2009 – *The 2009 Farm and Ranch Water Infrastructure Program Regulations*
- The Canada-Saskatchewan Express Moisture Program – *The Excess Moisture Program Regulations*
- The Canada-Saskatchewan Excess Moisture Program – *The Excess Moisture Program Regulations, 2011*
- The Canada-Saskatchewan Pasture Recovery Initiative – *The Canada-Saskatchewan Pasture Recovery Initiative Regulations*
- The Saskatchewan Feed and Forage Program 2010 – *The Saskatchewan Feed and Forage Program Regulations*
- The Saskatchewan Feed and Forage Program 2011 – *The 2011 Saskatchewan Feed and Forage Program Regulations*

Wildlife Damage Compensation and Livestock Predation Prevention Program

The Wildlife Damage Compensation and Livestock Predation Prevention Program, referred to as the Wildlife Damage Compensation Program, is administered by the Saskatchewan Crop Insurance Corporation (SCIC) under Growing Forward on behalf of the federal and provincial governments. This program consists of three components: crop damage compensation, predation compensation and prevention.

Under this program, compensation is provided for crop damage caused by any wild animal, including ducks, geese, sandhill cranes, white-tailed and mule deer, antelope, elk, bison, moose, bear and most recently wild boar, beavers and blackbirds. Producers are eligible for 100 per cent compensation on claims of $150 or more. Payments are based on the grade at the time of harvest, reflecting the value of the damaged crop; protein adjustments and malting status are not included in determining compensation amounts.

In 2010, compensation also became available for wildlife damage to crops and feed used for swath, bale and corn grazing. The previous compensation limit of $5,200 was also removed for wildlife damage to stacked feed in a yard site.

SCIC began administering predation compensation in 2010. The program now provides 100 per cent compensation for the death of livestock or poultry due to predation and up to 80 per cent of the animal's value to cover veterinary costs of an injured animal. Compensation will be determined based on market prices.

The cost of funding for crop and predation losses is shared, with 60 per cent paid by the federal government and 40 per cent paid by the provincial government, up to the 80 per cent compensation level; the provincial government contributes the additional 20 per cent.

Prevention measures to reduce crop and predation losses are also now funded under this program. Available prevention measures include predation specialists, lure crops, waterfowl feeding stations, scare cannons and compensation for guard dogs and fencing.

There are no premiums paid by producers and all Saskatchewan producers are eligible for compensation. Producers do not need to be Crop Insurance contract holders.

Though the former waterfowl and big game programs were combined under a single wildlife program in 2007, the compensation for each type of loss is reported separately.

Wildlife Compensation Program Summary

FISCAL YEAR	Waterfowl Claims	Waterfowl Compensation Paid	Big Game Claims	Big Game Compensation Paid	Predation Claims	Predation Compensation Paid
78-79	1,586	$ 1,836,587				
79-80	908	$ 977,476				
80-81	1,233	$ 1,465,480				
81-82	305	$ 312,061				
82-83	582	$ 684,593				
83-84	541	$ 869,910				
84-85	408	$ 763,530				
85-86	2,544	$ 6,389,022				
86-87	2,950	$ 6,658,769				
87-88	1,210	$ 1,779,933				
88-89	807	$ 1,337,903				
89-90	1,384	$ 3,727,130				
90-91	760	$ 2,138,380				
91-92	392	$ 683,391				
92-93	2,040	$ 5,557,642				
93-94	1,560	$ 3,603,156				
94-95	1,668	$ 1,778,556				
95-96	709	$ 1,352,767				
96-97	2,416	$ 7,951,921				
97-98	1,077	$ 4,361,668	1,671	$ 6,412,426		
98-99	298	$ 520,360	264	$ 529,955		
99-00	1,600	$ 4,309,428	400	$ 893,760		
00-01	1,132	$ 2,559,440	383	$ 968,948		
01-02	164	$ 233,093	612	$ 1,306,835		
02-03	781	$ 2,368,893	393	$ 1,164,098		
03-04	1,028	$ 5,202,721	2,789	$10,366,683		
04-05	1,654	$ 5,028,034	813	$ 1,594,932		
05-06	1,601	$ 4,843,872	1,595	$ 3,567,641		
06-07	1,119	$ 4,055,209	1,588	$ 3,890,262		
07-08	1,458	$ 7,696,618	1,294	$ 3,721,846		
08-09	713	$ 2,159,830	927	$ 2,351,247		
09-10	1,129	$ 4,154,806	1,235	$ 3,618,716		
10-11	1,307	$10,423,387	1,401	$ 5,318,029	3,508	$ 1,489,132
11-12	364	$ 1,523,552	1,457	$ 4,003,366	2,205	$ 1,268,279
12-13	661	$ 2,965,034	727	$ 2,753,460	2,957	$ 1,539,609
TOTAL	**40,089**	**$112,274,152**	**17,549**	**$52,462,204**	**8,670**	**$ 4,297,020**
Average	**1,145**	**$3,207,833**	**1,097**	**$3,278,888**	**2,890**	**$ 1,432,340**
Five-year average	**835**	**$4,245,322**	**1,149**	**$3,608,964**	**n/a**	**n/a**

The Canada-Saskatchewan Excess Moisture Program (CSEMP)

The CSEMP provided $30 per eligible acre to Saskatchewan producers who had land too wet to seed as of June 20, 2011, or seeded crop lost because of flooding on or before July 31 in 2010 and 2011. The program was administered by the Saskatchewan Crop Insurance Corporation and the cost was shared, with 60 per cent paid by the federal government and 40 per cent paid by the provincial government under the AgriRecovery program.

Saskatchewan Feed and Forage Program 2011 (SFFP 2011)

The SFFP 2011 provided $12 per ton to producers who had to purchase additional winter feed for their livestock due to excess moisture. In addition, the SFFP 2011 provided $12 per acre to producers to reseed hay, forage or pasture land damaged by excess moisture.

The SFFP 2011 was administered and funded by the provincial government.

Saskatchewan Feed and Forage Program 2010 (SFFP 2010)

The SFFP 2010 provided financial support to producers who had to transport additional feed to their livestock or had to transport livestock to alternative locations for feeding or grazing due to excess moisture. In addition, the SFFP 2010 provided $30 per acre to producers to reseed hay, forage or pasture land damaged by excess moisture.

The SFFP 2010 was cost-shared by the federal government and provincial government under the AgriRecovery program.

Specified Risk Material Management Program (SRM)

The SRM Program provided funding to facilities affected by the enhanced feed ban for investment in one-time infrastructure development projects specifically related to SRM handling and disposal. The SRM Program has been finalized and all liabilities of the Fund attributable to the program are settled. The funds remaining in the SRM Account were returned to the General Revenue Fund and the federal government in 2011-12 in proportion to each government's contribution to the account.

Farm and Ranch Water Infrastructure Program 2008 (FRWIP 2008)

FRWIP 2008 provided funding to farmers, ranchers, rural municipalities (RMs) and Indian Bands in the designated drought region to develop secure water supplies to mitigate the effects of drought and encourage economic growth. Applicants had until December 31, 2010, to complete their projects and until January 31, 2011, to submit their claims. The funds remaining in the FRWIP 2008 Account were returned to the General Revenue Fund and the federal government in 2011-12 in proportion to each government's contribution to the account. *The Farm and Ranch Water Infrastructure Program Regulations* expired on March 31, 2013.

Farm and Ranch Water Infrastructure Program 2009 (FRWIP 2009)

FRWIP 2009 provided funding to farmers, ranchers, RMs and Indian Bands province-wide to develop secure water supplies to mitigate the effects of drought and encourage economic growth. There were three components to the program:

1. On-farm – funding for farmers and ranchers for well, pipeline and dugout projects (50 per cent of eligible costs);
2. Community Wells – funding for RMs and Indian Bands for community well projects (66.66 per cent of eligible costs); and
3. Irrigation District Projects – funding for Irrigation Districts for infill development (90 per cent of eligible costs).

The program was announced on April 30, 2009. Applicants had to complete their projects prior to March 15, 2013. During 2012-13, payments totalling $14.1 million were made on 675 projects.

Canada-Saskatchewan Pasture Recovery Initiative (CSPRI)

CSPRI was announced May 31, 2010, and ended September 1, 2010, as a federal and provincial initiative under AgriRecovery. The purpose of the initiative was to provide resources to producers in affected areas to allow pastures to recover from the impacts of drought.

The funds remaining in the CSPRI Account were returned to the General Revenue Fund and the federal government in 2011-12 in proportion to each government's contribution to the account. The *Canada-Saskatchewan Pasture Recovery Initiative Regulations* expire and are to be repealed on December 31, 2013.

Management's Responsibility for the Financial Statements

The accompanying financial statements of the Saskatchewan Agricultural Stabilization Fund (Fund) have been prepared by management in accordance with Canadian public sector accounting standards, using management's best estimates and judgments where appropriate.

The Fund's management is responsible for the reliability and integrity of these financial statements and other information in this annual report. Financial information in the annual report is consistent with that provided in these financial statements.

In discharging its responsibility for the reliability and integrity of these financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Fund's external auditor, KPMG LLP, has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.

Alanna Koch
Deputy Minister
Ministry of Agriculture
June 7, 2013

Raymond Arscott, CA
Executive Director
Corporate Services Branch
Ministry of Agriculture
June 7, 2013

KPMG LLP
Chartered Accountants
Hill Centre Tower II
1881 Scarth Street, 20th Floor
Regina Saskatchewan S4P 4K9
Canada

Telephone (306) 791-1200
Fax (306) 757-4703
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of the Legislative Assembly Province of Saskatchewan

We have audited the accompanying financial statements of Saskatchewan Agricultural Stabilization Fund, which comprise the statement of financial position as at March 31, 2013 and the statements of operations and change in net financial assets and cash flows for the year ended March 31, 2013 and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Agricultural Stabilization Fund as at March 31, 2013 and the results of its operations and changes in its net financial assets and its cash flows for the year ended March 31, 2013 in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

Regina, Canada
June 7, 2013

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KPMG Canada provides services to KPMG LLP.

Saskatchewan Agricultural Stabilization Fund

FINANCIAL STATEMENTS

March 31, 2013

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Financial Position
As at March 31

	Wildlife Damage Compensation Program		Canada - Saskatchewan Excess Moisture Program		The Farm and Ranch Water Infrastructure Program 2008	
	2013	2012	2013	2012	2013	2012
FINANCIAL ASSETS						
Cash (Bank overdraft)	$ 2,737,149	$ 360,422	$ 850,303	$ 1,303,461	$ -	$ (189,645)
Investments	5,200,000	5,800,000	-	-	-	-
Due from the Saskatchewan Crop Insurance Corporation	-	-	40,850	-	-	-
Due from Province of Saskatchewan						
- General Revenue Fund	-	218,012	-	-	-	189,645
Due from Government of Canada	3,141,621	254,920	691,573	589,260	-	-
Accrued interest and other receivables	-	8,099	-	65,770	-	-
	$ 11,078,770	$ 6,581,453	$ 1,582,726	$ 1,958,491	$ -	$ -
LIABILITIES						
Accounts payable and accrued liabilities	36,233	34,067	4,020	55,290	-	-
Indemnities payable	5,047,550	379,976	-	116,357	-	-
Grants payable	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
Due to the Saskatchewan Crop Insurance Corporation	515,691	327,435	-	229	-	-
Due to Province of Saskatchewan - GRF	79,638	-	1,578,706	1,786,615	-	-
Due to Government of Canada	-	-	-	-	-	-
	5,679,112	741,478	1,582,726	1,958,491	-	-
NET FINANCIAL ASSETS	$ 5,399,658	$ 5,839,975	$ -	$ -	$ -	$ -

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Financial Position
As at March 31

	Saskatchewan Feed & Forage Program 2010		Saskatchewan Feed & Forage Program 2011		The Farm and Ranch Water Infrastructure Program 2009	
	2013	2012	2013	2012	2013	2012
FINANCIAL ASSETS						
Cash (Bank overdraft)	$ (27,970)	$ (46,798)	$ -	$ (159,906)	$ 2,786,892	$ 15,176,241
Investments	-	-	-	-	-	-
Due from the Saskatchewan Crop Insurance Corporation	-	-	-	-	-	-
Due from Province of Saskatchewan						
- General Revenue Fund	10,382	29,219	-	2,659,906	-	-
Due from Government of Canada	17,588	17,588	-	-	-	170,408
Accrued interest and other receivables	-	-	-	-	-	-
	$ -	$ -	$ -	$ 2,500,000	$ 2,786,892	$ 15,346,649
LIABILITIES						
Accounts payable and accrued liabilities	-	-	-	-	-	-
Indemnities payable	-	-	-	-	-	-
Grants payable	-	-	-	2,500,000	6,697,491	1,380,000
Deferred Revenue	-	-	-	-	-	173,831
Due to the Saskatchewan Crop Insurance Corporation	-	-	-	-	-	-
Due to Province of Saskatchewan - GRF	-	-	-	-	-	-
Due to Government of Canada	-	-	-	-	-	-
	-	-	-	2,500,000	6,697,491	1,553,831
NET FINANCIAL ASSETS	$ -	$ -	$ -	$ -	$ (3,910,599)	$ 13,792,818

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Financial Position
As at March 31

	Specified Risk Material Management Program		Canada Saskatchewan Pasture Recovery Initiative		Total	
	2013	2012	2013	2012	2013	2012
FINANCIAL ASSETS						
Cash (Bank overdraft)	$ -	$ 8,230	$ -	$ 109,171	$ 6,346,374	$ 16,501,176
Investments	-	-	-	-	5,260,000	5,800,000
Due from the Saskatchewan Crop Insurance Corporation	-	-	-	-	40,850	-
Due from Province of Saskatchewan						
- General Revenue Fund	-	-	-	-	10,382	3,096,773
Due from Government of Canada	-	-	-	-	3,850,782	1,032,176
Accrued interest and other receivables	-	-	-	-	-	73,869
	$ -	$ 8,230	$ -	$ 109,171	$ 15,448,388	$ 26,503,994
LIABILITIES						
Accounts payable and accrued liabilities	-	-	-	-	40,253	89,357
Indemnities payable	-	-	-	-	5,047,550	496,333
Grants payable	-	-	-	-	6,697,491	3,880,000
Deferred Revenue	-	-	-	-	-	173,831
Due to the Saskatchewan Crop Insurance Corporation	-	-	-	-	515,691	327,664
Due to Province of Saskatchewan - GRF	-	-	-	-	1,658,344	1,786,615
Due to Government of Canada	-	8,230	-	109,171	-	117,401
	-	8,230	-	109,171	13,959,329	6,871,201
NET FINANCIAL ASSETS	$ -	$ -	$ -	$ -	$ 1,489,059	$ 19,632,793

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Operations and Changes in Net Financial Assets
As at March 31

	Wildlife Damage Compensation Program		Canada - Saskatchewan Excess Moisture Program		The Farm and Ranch Water Infrastructure Program 2005	
	2013	2012	2013	2012	2013	2012
Revenue						
Interest income	$ 65,544	$ 79,706	$ 3,513	$ 81,455	$ -	$ -
Province of Saskatchewan						
- General Revenue Fund grant programs	6,202,850	2,051,881	207,908	94,215,385	-	-
Government of Canada	5,725,246	1,893,490	-	141,320,078	-	153,047)
	11,993,140	4,024,577	211,421	235,614,918	-	153,047)
Expenses						
Indemnities	11,927,739	3,947,567	-	-	-	-
Administration	505,718	653,801	815	887,986	-	-
Grants to producers	-	-	101,853	255,881,763	-	9,013
Transfers to the Government of Canada	-	-	109,253	588,030	-	-
Transfers to the Province of Saskatchewan - GRF	-	-	-	392,020	-	162,960)
	12,433,457	4,601,368	211,421	257,749,799	-	153,047)
Deficiency of revenue over expenses for the year	$ 440,317)	$ 576,791)	$ -	$ 1,134,881)	$ -	$ -
Net financial assets, beginning of year	5,839,975	6,416,766	-	1,134,881	-	-
Transfers between programs	-	-	-	-	-	-
Net financial assets, end of year	$ 5,399,658	$ 5,839,975	$ -	$ -	$ -	$ -

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Operations and Changes in Net Financial Assets
As at March 31

	Saskatchewan Feed & Forage Program 2010		Saskatchewan Feed & Forage Program 2011		The Farm and Ranch Water Infrastructure Program 2009	
	2013	2012	2013	2012	2013	2012
Revenue						
Interest income	$ -	$ -	$ -	$ -	$ -	$ -
Province of Saskatchewan						
- General Revenue Fund grant programs	11,526	3,529,210	-	2,659,906	-	-
Government of Canada	-	2,367,131	-	-	1,703,425	5,721,122
	11,526	5,896,341	-	2,659,906	1,703,425	5,721,122
Expenses						
Indemnities	-	-	-	-	-	-
Administration	-	-	-	-	-	-
Grants to producers	11,526	5,896,341	-	2,659,906	19,406,840	4,428,304
Transfers to the Government of Canada	-	-	-	-	-	-
Transfers to the Province of Saskatchewan - GRF	-	-	-	-	-	-
	11,526	5,896,341	-	2,659,906	19,406,840	4,428,304
Deficiency of revenue over expenses for the year	$ -	$ -	$ -	$ -	$ (17,703,417)	$ (707,182)
Net financial assets, beginning of year	-	-	-	-	13,792,818	14,500,000
Transfers between programs	-	-	-	-	-	-
Net financial assets, end of year	$ -	$ -	$ -	$ -	$ (3,910,599)	$ 13,792,818

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Operations and Changes in Net Financial Assets
As at March 31

	Specified Risk Material Management Program		Canada Saskatchewan Pasture Recovery Initiative		Total	
	2013	2012	2013	2012	2013	2012
Revenue						
Interest income	$ -	$ -	$ -	$ -	$ 69,057	$ 161,161
Province of Saskatchewan						
- General Revenue Fund grant programs	-	-	-	-	6,421,584	102,453,882
Government of Canada	-	-	-	109,171	7,428,669	149,357,045
	-	-	-	109,171	13,919,310	251,972,088
Expenses						
Indemnities	-	-	-	-	11,927,789	3,947,567
Administration	-	-	-	-	506,583	1,041,787
Grants to producers	-	-	-	-	19,519,519	248,375,327
Transfers to the Government of Canada	-	8,230	-	109,171	109,253	705,431
Transfers to the Province of Saskatchewan - GRF	-	144,811	-	-	-	474,771
	-	153,041	-	109,171	32,063,041	255,544,883
Deficiency of revenue over expenses for the year	$ -	$ (153,041)	$ -	$ -	$ (18,143,731)	$ (2,571,805)
Net financial assets, beginning of year	-	153,041	-	-	19,632,793	22,204,688
Transfers between programs	-	-	-	-	-	-
Net financial assets, end of year	$ -	$ -	$ -	$ -	$ 1,489,059	$ 19,632,793

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Cash Flows
As at March 31

	Wildlife Damage Compensation Program		Canada - Saskatchewan Excess Moisture Program		The Farm and Ranch Water Infrastructure Program 2008	
	2013	2012	2013	2012	2013	2012
Cash flows from (used in) operating activities:						
Cash receipts from the Government of Canada	$ 2,838,545	$ 3,281,106	$ -	$ 140,730,818	$ -	$ 4,744,759
Cash receipts from the General Revenue Fund	6,500,000	2,993,328	-	96,000,000	-	189,645
Funds held by the General Revenue Fund	(218,012)	(941,947)	-	-	-	-
Interest received	78,747	71,607	69,283	81,588	-	-
Cash paid to the Government of Canada	-	-	(211,567)	(588,030)	-	-
Cash paid to the Government of Saskatchewan	-	-	-	(392,020)	-	(4,317,445)
Cash received from (paid to) Saskatchewan Crop Insurance Corporation	188,256	288,219	(41,079)	15,471	-	-
Cash paid for administration	(505,718)	(653,801)	(815)	(387,986)	-	-
Cash paid to producers	(7,258,103)	(6,795,396)	(268,989)	(235,210,116)	-	(188,181)
Net increase (decrease) in cash and cash equivalents	1,618,715	(1,756,684)	(453,158)	249,725	-	428,778
Cash and cash equivalents at beginning of year	6,318,434	8,075,118	1,303,461	1,053,736	-	(428,778)
Transfers between programs	-	-	-	-	-	-
Cash and cash equivalents at end of year	$ 7,937,149	$ 6,318,434	$ 850,303	$ 1,303,461	$ -	$ -
Cash and cash equivalents include:						
Cash (Bank, overdraft)	$ 2,737,149	$ 300,422	$ 850,303	$ 1,303,461	$ -	$ (189,645)
Investments	5,200,000	5,800,000	-	-	-	-
Due from the Province of Saskatchewan - General Revenue Fund	-	218,012	-	-	-	189,645
	$ 7,937,149	$ 6,318,434	$ 850,303	$ 1,303,461	$ -	$ -

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Cash Flows
As at March 31

	Saskatchewan Feed & Forage Program 2010		Saskatchewan Feed & Forage Program 2011		The Farm and Ranch Water Infrastructure Program 2009	
	2013	2012	2013	2012	2013	2012
Cash flows from (used in) operating activities:						
Cash receipts from the Government of Canada	$ -	$ 2,349,513	$ -	$ -	$ 1,700,000	$ 3,724,546
Cash receipts from the General Revenue Fund	10,382	3,529,210	-	2,659,906	-	-
Funds held by the General Revenue Fund	-	-	-	-	-	-
Interest received	-	-	-	-	-	-
Cash paid to the Government of Canada	-	-	-	-	-	-
Cash paid to the Government of Saskatchewan	-	-	(1,551,789)	-	-	-
Cash received from (paid to) Saskatchewan Crop Insurance Corporation	-	-	-	-	-	-
Cash paid for administration	-	-	-	-	-	-
Cash paid to producers	(10,382)	(5,896,341)	(948,211)	(159,906)	(14,089,349)	(3,325,895)
Net increase (decrease) in cash and cash equivalents	-	(17,588)	(2,500,000)	2,500,000	(12,389,349)	398,651
Cash and cash equivalents at beginning of year	(17,588)	-	2,500,000	-	15,176,241	14,777,590
Transfers between programs	-	-	-	-	-	-
Cash and cash equivalents at end of year	$ (17,588)	$ (17,588)	$ -	$ 2,500,000	$ 2,786,892	$ 15,176,241
Cash and cash equivalents include:						
Cash (Bank overdraft)	$ (27,970)	$ (46,798)	$ -	$ (159,906)	$ 2,786,892	$ 15,176,241
Investments	-	-	-	-	-	-
Due from the Province of Saskatchewan - General Revenue Fund	10,382	29,210	-	2,659,906	-	-
	$ (17,588)	$ (17,588)	$ -	$ 2,500,000	$ 2,786,892	$ 15,176,241

SASKATCHEWAN AGRICULTURAL STABILIZATION FUND

Statement of Cash Flows
As at March 31

	Specified Risk Material Management Program		Canada Saskatchewan Pasture Recovery Initiative		Total	
	2013	2012	2013	2012	2013	2012
Cash flows from (used in) operating activities:						
Cash receipts from the Government of Canada	$ -	$ 489,233	$ -	$ 784,950	$ 4,538,545	$ 156,054,955
Cash receipts from the General Revenue Fund	-	-	-	-	6,510,382	105,372,089
Funds held by the General Revenue Fund	-	-	-	-	(218,012)	(941,947)
Interest received	-	-	-	-	143,030	153,195
Cash paid to the Government of Canada	-	-	-	-	(211,567)	(588,030)
Cash paid to the Government of Saskatchewan	(8,230)	(144,811)	(109,171)	-	(1,669,190)	(4,854,276)
Cash received from (paid to) Saskatchewan Crop Insurance Corporation	-	-	-	-	147,177	303,690
Cash paid for administration	-	-	-	-	(506,533)	(1,041,787)
Cash paid to producers	-	(1,214,817)	-	-	(22,575,025)	(252,790,452)
Net increase (decrease) in cash and cash equivalents	(8,230)	(870,395)	(109,171)	784,950	(13,841,193)	2,667,487
Cash and cash equivalents at beginning of year	8,230	878,625	109,171	(625,779)	25,397,949	23,730,512
Transfers between programs	-	-	-	-	-	-
Cash and cash equivalents at end of year	$ -	$ 8,230	$ -	$ 109,171	$ 11,556,756	$ 25,397,949
Cash and cash equivalents include:						
Cash (Bank overdraft)	$ -	$ 8,230	$ -	$ 109,171	$ 6,346,374	$ 16,501,176
Investments	-	-	-	-	5,200,000	5,800,000
Due from the Province of Saskatchewan - General Revenue Fund	-	-	-	-	10,382	3,096,773
	$ -	$ 8,230	$ -	$ 109,171	$ 11,556,756	$ 25,397,949

Saskatchewan Agricultural Stabilization Fund
Notes to the Financial Statements
As at March 31, 2013

1. Status of the Fund

The Saskatchewan Agricultural Stabilization Fund (the Fund) was established under *The Farm Financial Stability Act* (the Act). The Fund only includes programs established under the Act where the Federal Government has agreed to participate.

The following programs exist within the Fund:

Wildlife Damage Compensation Program:
The Wildlife Damage Compensation Program is administered by the Saskatchewan Crop Insurance Corporation and is the successor program to the Big Game Damage Compensation and the Waterfowl Damage Compensation Programs, which were established in 1996-97 and 1997-98 fiscal years respectively, pursuant to Part IV of the Act and is administered by the Saskatchewan Crop Insurance Corporation. The purpose of the program is to compensate producers of commercial agricultural crops for losses to field crops resulting from damage caused by big game and waterfowl.

Canada-Saskatchewan Excess Moisture Program: The Canada-Saskatchewan Excess Moisture Program is administered by the Saskatchewan Crop Insurance Corporation. Together, the federal and provincial government provided $30 per acre to Saskatchewan producers who had land too wet to seed as of June 20 or seeded crop lost because of flooding on or before July 31 in 2010 and 2011. The funding for this program comes from AgriRecovery, which is part of the federal-provincial Growing Forward Business Risk Management Suite.

Saskatchewan Feed and Forage Program 2011:
The Saskatchewan Feed and Forage Program 2011 (SFFP 2011) provides $12 per ton to producers who have to purchase additional winter feed for their livestock due to excess moisture. In addition, the SFFP 2011 provides $12 per acre to producers to reseed hay, forage or pasture land damaged by excess moisture.

The SFFP 2011 program is administered by the Saskatchewan Ministry of Agriculture and is funded by the Provincial Government.

Saskatchewan Feed and Forage Program 2010:
The Saskatchewan Feed and Forage Program 2010 (SFFP 2010) provides $30 per ton to producers who have to purchase additional winter feed for their livestock due to excess moisture. Assistance is also provided to help off-set costs of transporting the feed or moving livestock to alternate locations for feeding or grazing. In addition, the SFFP 2010 provides $30 per acre to producers to reseed hay, forage or pasture land damaged by excess moisture.

The SFFP 2010 program is administered by the Saskatchewan Ministry of Agriculture and is cost shared with the Federal Government under the AgriRecovery initiative.

Canada-Saskatchewan Specified Risk Material Management Program:
On June 26, 2006 the Canadian Food Inspection Agency (CFIA) announced enhancements to Canada's feed ban in an attempt to strengthen Canada's safeguards against the spread of BSE and to speed its eradication. The CFIA regulations require all Specified Risk Material (SRM) tissues to be removed and excluded from use in all animal feed, pet food, and fertilizer and disposed in a manner approved by the CFIA by July 12, 2007.

The Canada-Saskatchewan SRM Management Program provides funding to facilities affected by the enhanced feed ban for investment in one-time infrastructure development projects specifically related to SRM handling and disposal. The goal is to create viable environmentally safe disposal options across Saskatchewan to reduce the cost of industry adaptation to the new CFIA regulations.

The purpose of the program is to provide assistance payments to eligible applicants who develop the necessary infrastructure to remove, segregate, store, transport, dispose of or destroy specified risk material.

Farm and Ranch Water Infrastructure Program 2008:
The Farm and Ranch Water Infrastructure Program 2008 provides assistance to farmers, ranchers, rural municipalities and Indian Bands in designated drought areas of the province. The program covers emergency water supplies for short term demands, permanent on-farm water supplies, irrigation infill, and the establishment of wells to serve communities over the long term. The intent of the program is to help lessen the impact of drought by providing a secure water source for farmers and ranchers. The program is administered by the Saskatchewan Ministry of Agriculture and is cost shared with the Federal Government.

Farm and Ranch Water Infrastructure Program 2009:
The Farm and Ranch Water Infrastructure Program 2009 provides assistance to develop water infrastructure across the entire province. The program covers on-farm water supplies and the establishment of wells to serve communities over the long term. The intent of the program is to help lessen the impact of drought by providing a secure water source for farmers and ranchers. The program is administered by the Saskatchewan Ministry of Agriculture and is cost shared with the Federal Government.

Canada-Saskatchewan Pasture Recovery Initiative:
Under the 2010 Pasture Recovery Initiative, livestock producers living in the eligible municipal districts in West Central and Northwest Saskatchewan receive pasture assistance for breeding cattle, as well as assistance for other types of breeding livestock, subject to size of the eligible livestock.

The program will provide livestock producers in Saskatchewan facing two years of drought with funding from the federal and provincial governments to buy feed while damaged pastures recover.

In the event that these programs terminate, any remaining net financial assets must be returned to the Government of Saskatchewan's General Revenue Fund.

2. Significant accounting policies

These financial statements have been prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The Fund adopted Canadian public sector accounting standards PS1201 Financial Statement Presentation, PS2601 Foreign Currency Translation, PS3410 Government Transfers and PS3450 Financial Instruments during the current year. The adoption of these standards had no significant impact on the Fund's financial results.

Cash and Cash Equivalents:
Cash and cash equivalents consist of cash, short-term investments with a maturity of 90 days or less, the Fund's bank accounts which are included in the Consolidated Offset Bank Concentration arrangement for the Government of the Province of Saskatchewan (note 3) and all other amounts Due from the Province of Saskatchewan General Revenue Fund.

Revenue Recognition:
Funding received is recognized as revenue once authorized and all eligibility criteria have met.

The Wildlife Damage Compensation program was funded at 80% coverage, cost shared 60% by the Federal Government and 40% by the Provincial Government. On February 19, 2009, coverage was increased to 100%, with the Provincial Government funding the additional 20%.

The Farm and Ranch Water Infrastructure Program 2009 is funded by the Federal Government and by the Provincial Government under the Growing Forward Framework Agreement.

The amount recognized as revenue from the Federal Government is a percentage of the program eligible expenses.

The return of grant money to the General Revenue Fund is recognized as an expense.

Use of Estimates:
The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. The significant item subject to such estimates and assumptions is indemnities payable. Actual results could differ from those estimated.

3. Due from Province of Saskatchewan General Revenue Fund

Interest is earned on the Wildlife Damage Compensation Program funds at Prime less 3% to a minimum of 0.5%. Interest is earned on the Canada-Saskatchewan Excess Moisture Program funds at 0.45% on balances exceeding $50 million, at 0.3% on balances between $10 million and $50 million, and at 0% on balances under $10 million.

The Farm and Ranch Water Infrastructure Program funds and the Saskatchewan Feed and Forage Program funds are deposited in the General Revenue Fund. Interest is not paid on these accounts.

All other amounts represent short-term receivables from the Province of Saskatchewan General Revenue Fund.

4. Planned results

	Budget 2012-13 ($000)	Actual 2012-13 ($000)	Actual 2011-12 ($000)
Revenue			
Wildlife Damage Compensation	12,500	11,993	4,025
Canada-Sask. Excess Moisture Program	---	211	235,615
Saskatchewan Feed and Forage Program 2010	---	11	5,896
Saskatchewan Feed and Forage Program 2011	---	---	2,660
Specified Risk Material Management	---	---	---
Farm and Ranch Water Infrastructure 2008	---	---	(53)
Farm and Ranch Water Infrastructure 2009	3,500	1,705	3,721
Canada-Sask. Pasture Recovery Initiative	---	---	109
Expenses			
Wildlife Crop Damage Compensation	12,500	12,433	4,601
Canada-Sask. Excess Moisture Program	---	211	236,750
Saskatchewan Feed and Forage Program 2010	---	11	5,896
Saskatchewan Feed and Forage Program 2011	---	---	2,660
Specified Risk Material Management	---	---	153
Farm and Ranch Water Infrastructure 2008	---	---	(53)
Farm and Ranch Water Infrastructure 2009	17,000	19,409	4,428
Canada-Sask. Pasture Recovery Initiative	---	---	109

The planned results and planned amounts have been derived from the budget approved by the Board on February 22, 2012.

5. Fair value of financial assets and financial liabilities

The carrying amounts of all financial assets and financial liabilities approximate their fair value due to their short-term nature.

6. Related party transactions

Included in these financial statements are transactions with various related parties including Saskatchewan Crown corporations, ministries, agencies and boards related to the Fund by virtue of common control by the Government of Saskatchewan.

The Saskatchewan Crop Insurance Corporation administers the Wildlife Damage Compensation and Canada-Saskatchewan Excess Moisture programs.

6. Related party transactions (continued)

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

In accordance with established Government practice, the Fund has not been charged with certain occupancy, financing, administrative, and other costs. These costs have been absorbed by various ministry appropriations and, therefore, no provision for such costs is reflected in these financial statements.